



August 5, 2022

Office of the Comptroller of the Currency
12 CFR Part 25
Docket ID OCC-2022-0002
RIN 1557-AF15

FEDERAL RESERVE SYSTEM
12 CFR Part 228
Regulation BB
Docket No. R-[•]
RIN 7100-AF[•]

FEDERAL DEPOSIT INSURANCE CORPORATION
12 CFR Part 345
RIN 3064-AF81

To Whom it May Concern:

VIA Community Development Corporation (VIA) appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPR) regarding updating the Community Reinvestment Act (CRA). This NPR represents the most significant changes to the CRA regulation and exams in 27 years.

VIA is a nonprofit organization that overwhelmingly serves communities of color and low- to moderate-income (LMI) people in Milwaukee, WI. Our mission is to be a partner in building strong, healthy neighborhoods where all of us can thrive. At VIA, we believe the zip codes where we live and work shouldn't determine the trajectory of our lives. However, generations of policies have created unequal starting points for our communities.

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Having access to credit is fundamental for the people and communities we serve. As a central tool of the Federal Government to combat redlining, the CRA requires banks to meet the credit needs of the communities in which they are chartered. However, despite the intent to curb redlining, evidence continues to mount that people of color and LMI communities disproportionately still face obstacles in accessing affordable credit and other financial services.

The joint rule released makes important improvements to the CRA regulation, including providing greater transparency and clarity for stakeholders, raising the bar for the performance of banks, recognizing the importance of CDFIs, and incorporating safeguards against displacement. That said, it must be noted that the law's statutory intent is equity – which means 'dealing fairly and equally with all concerned.'

VIA offers the following feedback.

Since CRA requires banks to meet the needs of communities, the Federal Reserve, the Office of Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) should elevate the importance of public comments regarding the extent to which banks meet needs. VIA supports the proposal to continue sending comments on CRA performance to banks and the consideration of publishing comments received on agency websites. We urge posting comments on their websites to establish a public registry for community organizations to sign up if they wish to comment on CRA performance. In addition, to show effort to seek input from a diverse range of organizations, we ask that the agencies publish a list of organizations that comment and identify those led by people of color and women.

The NPR proposed some significant improvements in test stringency. With rigorous CRA exams and ratings, we can meaningfully encourage banks to invest in community development and offer sound financial products and practices. We support the use by examiners of a race conscious performance context to inform an examiner's analysis and conclusions when conducting CRA examinations. CRA exams must examine affordability and sustainability of lending to prevent abusive practices.

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VIA supports the NPR's improvement in data collection and the scope of geographical areas on exams but notes the failure to incorporate race and ethnicity in demographic data in the examination process. Persistent racial disparities in lending should compel the agencies to incorporate race and ethnicity in CRA exams. A recent [national level analysis](#) showed continuing disparities in loan denials by race and that equity accumulation was less for people of color who received home loans. By including race and ethnicity, CRA can identify and address persistent racial disparities that directly impact the quality of life and health outcomes for communities of color and LMI communities.

VIA believes the proposed rule could help reduce inequalities, disinvestment, and other disadvantages for people of color and LMI communities. We agree that the NPR makes much needed improvements to the law overall, and we applaud the coordinated interagency approach to CRA modernization. We look forward to working together to make greater enhancements to meet the statutory intent of the law more closely.

Sincerely,

JoAnna Bautch
Executive Director

